

MINUTES OF
THE PARTNERSHIPS AND LIMITED LIABILITY COMPANIES COMMITTEE
OF THE BUSINESS LAW SECTION OF THE STATE BAR OF CALIFORNIA

December 11, 2003

Via Teleconference

10:30 a.m.

The monthly meeting of the Partnerships and Limited Liability Company's Committee was held on Thursday, December 11, 2003. The Members participating in the meeting were: Greg Vignos, Denise Olrich, David Marian, Edward Gartenberg, Steven Hazen, and Stephen Halper.

The meeting was called into order by Phil Jelsma at approximately 10:10. Phil Jelsma was appointed the secretary.

I. Administrative Remarks

Mr. Jelsma agreed to serve as the Secretary. The Executive Liasons were on conference call at the same time as the Committee meeting.

Mr. Hazen reported on the corporations Committee, including the electronic submissions proposal. There was discussion of the current status of the Re-RULPA legislation which has been approved by the State Bar Board of Governors. There was no report from the Estate Planning and Probate Liaison, nor the Secretary of State.

II. Proposed Legislation

Mr. Jelsma sought comments on the commentary section of the Re-RULPA affirmative legislative proposal.

III. Recent Developments

There was a discussion of the Welfare Exemption, and related Amendments of the Revenue and Taxation Code Section 214.

Mr. Jelsma reported on the current IRS thinking with respect to LLCs owned in a community property state. The IRS appears willing to treat LLCs owned by husband and wife in a community property state as a single-member LLC.

There was discussion of the remedies sections of the State Bar formal opinion.

There was a brief discussion of practice issues pertaining to the use of LLCs.

There being no further business, the meeting was adjourned at 12:00 pm.

Respectfully Submitted

Phillip L. Jelsma, Secretary